

Lease No.: 7297

County: Wibaux

Lessee: Robert & Russell Zinda

High Bidder: Rex Knight, Jr.

Hearing Time: Friday, April 23, 2010 @ 10:00 a.m.

Tracts: T12N R60E S8: NW¼ - 160 Ac. - Common School Grant

Grazing Acres: 33.8 AUM Rating: 10

Ag (Hay) Acres: 126.2

High Bid: \$28.35/AUM + 48% crop share or \$25.23/Acre, whichever is greater

Other Bids: None

Previous Rental: Minimum

Prevalent Community Rental Information:

State Land County Bid Averages: \$16.17 per AUM

MT Ag Statistics 2009 Private Lease Rate: \$18.00/AUM

Findings: The Lessee, Robert Zinda, and the High Bidder, Rex Knight, Jr. appearing at the hearing and testified. Mr. Zinda testified that he had planted a grass/alfalfa seed mixture on this tract and produces dry land hay from the heavy gumbo soils on this tract. He has grazed it only in a couple of instances. Mr. Zinda stated that due to the proximity of this lease to the County road, it received considerable public recreational use and some unauthorized motor-vehicle use. However, he has controlled the Canadian thistle resulting from this use. Mr. Zinda's private land lies approximately four miles from this tract. Mr. Zinda reported that he most recently produced 87 – 1200 pound hay bales (or approximately 52 tons) from this tract. However, Rex Knight, Jr. testified that he had utilized this lease by permission of Mr. Zinda for the production of hay, fixed a shallow well, and placed a fence on the north boundary of the lease. Mr. Knight has farmed and ranched his entire life. Mr. Knight testified that this ground can be highly productive given the correct management, and recited higher production history during his management as ranging from 78 tons to 140 tons. He has grazed this tract after haying. Mr. Knight testified that most agricultural leases in the area were typically based upon a 1/3 crop share with the lessee responsible for all input costs. Grass/alfalfa hay aftermath can provide valuable forage provided that it is actively managed.

Recommendation: The Director recommends that the Board issue the next term of this lease to Rex Knight, Jr., as the best-qualified Lessee, and that the Board set the rental rate for this lease at the rate of \$28.35/AUM + 48% crop share or \$25.23/Acre, whichever is greater. The lease should include a stipulation requiring the lessee to report, prior to any use, to the local unit office, the turn-in and turn-out dates along with the numbers of livestock utilizing any forage upon this lease.